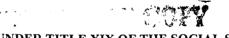
DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH CARE FINANCING ADMINISTRATION CORRECTE	ED (5-2-01) FORM APPROVED OMB NO. 0938-0193	
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 2. STATE:  0 1 0 0 8 Arkansas  3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE April 5, 2001	
5. TYPE OF PLAN MATERIAL (Check One):  NEW STATE PLAN  AMENDMENT TO BE CO	NOIDEDED AO NEW DIAN YOUNG THE AMENDMENT	
	NSIDERED AS NEW PLAN X AMENDMENT	
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	
Benefits Improvement and Protection Act of 2000 Section 701	- 0004 .44 540 400 00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Attachment 4.19-A, Page 22 Attachment 4.19-A, Page 23	None, New Page Attachment 4.19-A, Page 22 Approved 12-23-91, TN 91-20	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to revise the disproportionate share payment for Arkansas State Operated Psychiatric Hospitals and Arkansas State Operated Teaching Hospitals.		
11. GOVERNOR'S REVIEW (Check One):	_	
<ul> <li>☑ GOVERNOR'S OFFICE REPORTED NO COMMENT</li> <li>☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED</li> <li>☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</li> </ul>	☐ OTHER, AS SPECIFIED:	
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
Fay Hanley by th		
13. TYPEDØAME: <sup>0</sup> & Ray Hanley	Division of Medical Services P. O. Box 1437	
14. TITLE:	Little Rock, AR 72203-1437	
Director, Division of Medical Services	Attention Division Alberton	
15. DATE SUBMITTED: April 5, 2001	Attention: Binnie Alberius Slot 1103	
FOR REGIONAL OF TWO DATE REGENED MC44-8, 2001	I DATE APPROVED COLLEGE DATE OF DESCRIPTION OF THE PROPERTY OF	
19. EFFECTIVE DATE OF APPROVED MATERIAL  APP 11 5, 2001	NE CORY ATTACHED  20, SIGNATURE OF RESIGNAL OFFICIAL  20, SIGNATURE OF RESIGNAL OFFICIAL	
21 TYPED NAME: Calvin G. Culme	22.TITLE Associate Regional Administrator Division of Medicaid and State Operation	
23 REMARKS:		
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## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM STATE ARKANSAS

ATTACHMENT 4.19-A Page 22

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -INPATIENT HOSPITAL SERVICES Revised:

April 5, 2001

## 3. Additional Disproportionate Share Payment

Effective April 5, 2001, the total annual Disproportionate Share Hospital (DSH) payments to all qualifying hospitals (acute care, inpatient psychiatric, rehabilitative and border city), as calculated per Section #2 of Attachment 4.19-A, is capped at a maximum annual total of \$2,745,367. This maximum annual DSH total does not include the additional DSH amounts payable to Arkansas State Operated Psychiatric Hospitals and Arkansas State Operated Teaching Hospitals as identified in this Section. The DSH payment to each qualifying hospital will be reduced proportionately if the total of the individual hospital DSH payable amounts exceeds the annual \$2,745,367 maximum.

Effective April 5, 2001, the Arkansas State Operated Psychiatric Hospitals shall qualify to receive an additional DSH amount. Arkansas State Operated Psychiatric Hospitals are classified as a separate class group for DSH purposes. The Medicaid DSH definition of a State Operated Psychiatric Hospital is a psychiatric hospital that has in effect an agreement to participate in Medicaid as an inpatient psychiatric hospital and is operated by the State of Arkansas. The additional payable amount is the difference between the annual State DSH maximum amount for psychiatric hospitals (Federal plus State Share) and the DSH payable amounts to all psychiatric hospitals as calculated per Section #2 of Attachment 4.19-A. The State Operated Psychiatric Hospitals must qualify under either the Medicaid inpatient utilization rate or low-income utilization rate methods and must meet all other requirements of Section #2 in order to receive the additional DSH reimbursement. The State DSH maximum amount for psychiatric hospitals is identified annually by the Health Care Financing Administration (HCFA) and is included in the federally (HCFA) determined annual State DSH allotment. If qualified, the State Operated Psychiatric Hospitals are reimbursed both the DSH amount as calculated per Section #2 plus the additional DSH amount. Arkansas State Operated Psychiatric Hospitals are provided the same mechanism to appeal their additional DSH payment eligibility and/or rate as is identified in Section #2.

Effective April 5, 2001, the Arkansas State Operated Teaching Hospitals shall qualify to receive an additional DSH amount. Arkansas State Operated Teaching Hospitals are classified as a separate class group for DSH purposes. The additional payable amount is the difference between the annual DSH allotment amount (Federal plus State Share) and the total other DSH payable amounts, including all amounts payable to the State Operated Psychiatric Hospitals. The State Operated Teaching Hospitals must qualify under either the Medicaid inpatient utilization rate or low-income utilization rate methods and must meet all other requirements of Section #2 in order to receive the additional DSH reimbursement. The State DSH allotment is identified annually by the Health Care Financing Administration (HCFA). If qualified, the State Operated Teaching Hospitals are reimbursed both the DSH amount as calculated per Section #2 plus the additional DSH amount. Arkansas State Operated Teaching Hospitals are provided the same mechanism to appeal their additional DSH payment eligibility and/or rate is identified in Section #2.

SUPERSEDES: NONE - NEW PAGE

STATE Arkansas  DATE REC'D 05-08-01  DATE APPV'D 07-17-01  DATE EFF 04-05-01	Α
HCFA 179 AR-DI-08	

ATTACHMENT 4.19-A Page 23

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM STATE ARKANSAS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES

April 5, 2001

4. Reimbursement for Inpatient Hospital Services for Children Under Age One (or Children that are Hospitalized on Their First Birthday)

Medically necessary inpatient hospital services furnished to children under age one (or children that are hospitalized on their first birthday) will be exempt from any dollar limits on any inpatient hospital service.

Inpatient hospital services for these individuals will be cost settled separately from all other Medicaid recipients and no dollar limits will be applied.

Arkansas Medicaid will not consider these costs in the Medicare TEFRA rate of increase limit computation.

SUPERSEDES: TN - 91-20-

STATE Arkansas

DATE REC'D OS-08-01

DATE APPV'D ON-17-01

DATE EFF 04-08-01

HCFA 179 ARC-01-08